

BEFORE

THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 92-556-C - ORDER NO. 93-150 ✓

FEBRUARY 17, 1993

IN RE: Proceeding to Consider the Application) ORDER GRANTING
of Directory Assistance Charges to) DIRECTORY
Customer-Owned Pay Telephones.) ASSISTANCE CHARGES

On September 28, 1992, the Public Service Commission of South Carolina (the Commission) issued its Order No. 92-849 in Docket No. 91-040-C, in response to a Petition filed by the South Carolina Public Communications Association (SCPCA), requesting the Commission to rehear or reconsider portions of its findings concerning revised Customer Owned Coin Operated Telephone (COCOT) Guidelines, and related issues in Order No. 92-511. In Order No. 92-849, the Commission granted the SCPCA's request for rehearing on the issue of Application of Directory Assistance Charges to Customer Owned Pay Telephone lines, and determined a new proceeding should initiated to review this issue. This Docket was established.

By letter dated October 27, 1992, the Commission's Executive Director instructed the South Carolina Telephone Association (SCTA) to publish a prepared Notice of Filing, one time, in a newspaper of general circulation, in the area affected by the proposal. The Notice of Filing indicated the nature of SCTA's

Application and advised all interested parties desiring participation in the scheduled proceeding of the manner and time in which to file the appropriate pleadings.

Petitions to Intervene were filed on behalf of Steven W. Hamm, the Consumer Advocate for the State of South Carolina; AT&T Communications of the Southern States, Inc.(AT&T); and South Carolina Public Communications Association and International Payphones, Inc.

A public hearing relative to the matters asserted in SCTA's Application was held on January 27, 1993 at the hearing room of the Commission at 111 Doctors Circle, Columbia, South Carolina. The Honorable Henry G. Yonce, Chairman, presided. M. John Bowen, Jr., Esquire, represented the Applicant, South Carolina Telephone Association; Elliott F. Elam, Jr., Esquire, represented the Consumer for the State of South Carolina (the Consumer Advocate); Frances P. Mood, Esquire and Roger A. Briney, Esquire, presented the Intervenor, AT&T Communications of the Southern States, Inc.; Mitchell M. Willoughby, Esquire, represented the South Carolina Public Communications Association and International Payphones, Inc.; and F. David Butler, General Counsel, represented the Commission Staff.

The SCTA presented the testimony of witnesses L. B. Spearman, G. Dent Adams, Jr., and Laura A. Sykora. These witnesses stated that the SCTA, an association of local exchange carriers (LEC's), requested that the Commission allow the LEC's to charge COCOT providers for Directory Assistance requests, so that the LEC's

could recover their costs incurred from Directory Assistance providers. It appeared from the testimony of these witnesses that Directory Assistance Charges incurred at times equaled or exceeded the revenues received from the COCOT providers. The witnesses testified that many of the LECs received Directory Assistance from Southern Bell Telephone and Telegraph Company (Southern Bell), which charged them a fee for the provision of the service. In some instances, the LEC's cost for Directory Assistance exceeds its charges to the COCOT provider for access line service. Therefore, the LEC's made no profit on the amounts charged to the COCOT providers. The Intervenor, South Carolina Public Communications Association and International Payphones, Inc. presented the testimony of witnesses Gene R. Stewart, Clifton M. Craig, Jr., and Karl M. Baker. These witnesses stated that they believed that the current arrangement of providing Directory Assistance services to end-users without charge, and spreading the cost of this service over the LEC rate base, provided the most benefit to the general public. Witness Stewart stated that any change in this arrangement would serve to diminish that public benefit. Stewart went on to state that while allowing COCOT providers to pass any LEC-imposed Directory Assistance Charges to the end-using public would be an absolute requirement, in order to avoid a significant decrease in COCOT locations available to the general public, the general public would still suffer from the implementation of the plan of the SCTA. Stewart noted that if the the Commission allowed the LEC's to charge COCOT providers for

Directory Assistance Charges, that it should also allow the COCOT providers to pass that cost along to the end-using public. The basic position of witnesses Stewart, Craig, and Baker was that the arrangement set in place by the Commission eight (8) years ago in Docket No. 84-507-C is the most equitable, and bestows the greatest benefit upon the consuming public, and the State of South Carolina. That is, the provision by local exchange companies of Directory Assistance service to both LEC and COCOT pay-stations free of charge.

The Intervenor, AT&T Communications presented the testimony of James Mertz. Mertz recommended consideration of a number of options, but further stated that the LEC's should also charge end-users for Directory Assistance, if the LECs were allowed to charge COCOTs for the Directory Assistance. Otherwise, the LEC's payphones would realize a subsidy unavailable to the other payphone providers.

Additionally, testimony received from SCPCA witnesses and SCTA witnesses indicated that it was difficult to maintain telephone directories at their pay telephone locations, and in many instances, a telephone directory was not available for the users of the pay telephones. To encourage the availability of telephone directories for pay telephone users, and compliance with the Commission COCOT guidelines, the COCOT providers are instructed, as a minimum requirement, to inspect its telephones every thirty (30) days. Additionally, a sticker shall be placed at each COCOT to indicate the last date the pay telephone was

inspected by the providers.

The Commission has considered this matter, and believes it is equitable to allow the LEC's to charge the COCOTs for at least part of their costs realized as a result of Directory Assistance Charges. Further, this Commission is of the opinion, for fairness sake, that COCOT providers should be able to recover from the end-using public for any charges presented to them by the LECs for Directory Assistance. Cross-examination of SCTA witness L. B. Spearman revealed that the Southern Bell directory assistance charge to Pond Branch Telephone Company, and other LECs is 30¢ per call. The Commission therefore believes that the LECs shall therefore have the option to charge the COCOT providers either 25¢ or 10¢ at their discretion. The COCOT providers will then have the option to present the same charge to its end-using public. The exception to this will be that the LEC's charges to COCOT providers for Directory Assistance calls shall only be 10¢ for pay telephones located in low-income housing areas, mobile home parks, within one block of low-income housing, non-profit hospitals, nursing homes, elementary or secondary schools, city sidewalks, and correctional institutions. In addition, this Commission believes that in order to create a level playing field, that a procedure should be instituted to address Directory Assistance Charges to LECs payphones. Because of the above-stated reasoning,

IT IS THEREFORE ORDERED THAT:

1. The LECs will have the option to charge to COCOT providers either 25¢ or 10¢ per Directory Assistance call.

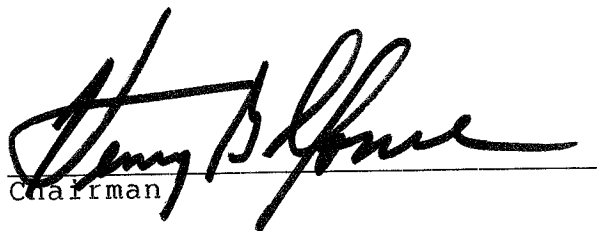
Further, the COCOT providers shall have the option to charge its end-users the same fees, with the exceptions as stated above.

2. That COCOT providers inspect their pay telephones as a minimum requirement, every thirty (30) days to ensure telephone directories are available for their users.

3. That a proceeding shall be established to examine the issue of Directory Assistance to LEC payphones.

4. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)